

43. *Mr. Lawry.*] You cannot do it for 25 per cent. less—the price at which the other persons would undersell at for the purpose of cutting you out?—No. We are prepared to guarantee the colony, if there shall be a protective duty imposed, that we will only charge the least price at which the article can be manufactured; this applies to both “sporting” and military ammunition. Take a gunmaker; he can import and make a profit of 6s. per hundred on the average or more on the sale of cartridges; he does not employ a single hand, he does not purchase material for the manufacture, while here is a local company employing seventy hands, paying large sums for material, having expended a large sum for machinery, and making, for the first time after seven years, only 4½ per cent. last year, being left with a large amount—£4,500 worth—of material on their hands, and a larger duty on raw material than is imposed on the imported manufactured article.

WEDNESDAY, 27TH JULY, 1892.

Hon. Sir G. S. WHITMORE examined.

1. *The Chairman.*] We have asked you to attend to give information, if you can, in regard to the ammunition supplied by the Colonial Ammunition Company, and also in regard to any agreement made with them in the first instance when they started on that business?—In the year 1885 there was a Russian scare on, as honourable gentlemen know, and I was invited by the Governor to come down here. I was asked by the Government to take command of the Colonial Forces. One of the first things which it was my duty to do was to ascertain how much ammunition there was in the country. At that time there were 12,000 Volunteers on the roll, and it may surprise gentlemen to know that there were not 400,000 rounds of ammunition in the country. I asked Mr. Ballance, who was then a Minister, to telegraph to all the centres in Australia. The result was we got 50,000 rounds more. We could obtain no further supply until we could get some from England. I thought this very serious, and we cabled to the Agent-General, who informed us that the Snider arm had become obsolete—that the Government no longer made it, and that there was no maker in the country except a man called Kynock. On further application to the Agent-General it seems it was quite possible that it would be six months, possibly a year, before we could get any supply at all from England. Now, 12,000 Volunteers required 1,200,000 rounds for the ordinary practice of their arms, and as the greater part of the Volunteers in those days were perfect recruits and had very little practice, it was impossible to shorten the supply to them, or else they would have been of no use. In discussing this matter with Captain Whitney, at Auckland, who I knew at all events to be a good sportsman and a wonderful shot, I told him that I would be very glad if he could tell me of any other maker in England besides Mr. Kynock, or if he could suggest in any way how we could get ammunition. The next morning he called upon me and said he had come out to New Zealand; that he had sold his property in Herefordshire; that he had considerable sums lying at his credit at the bank; that he was afraid to invest it in land, from all he could hear about land in this country, and that he was quite willing to endeavour to put up works for making cartridges for supplying the wants. I communicated with Mr. Ballance on the subject by telegraph, and he authorised me to make preliminary arrangements with Captain Whitney. His conditions were that Captain Whitney should have all the machinery made in this country, and that he should be able to guarantee to supply all the ammunition that was required; on the other hand, the Government would give him the exclusive supply of all ammunition required for its own purposes. Subsequently Captain Whitney met Mr. Ballance at the Star Hotel, Auckland, on the matter, and Mr. Ballance agreed to let him have a very small piece of land—about three-fourths of an acre, or half an acre, or something of that sort—at Mount Eden, on which he might erect his works, and he was to have a lease of it. Captain Whitney's ammunition made with the colonial machinery was not by any means a success, and involved a very large loss to him. He saw Mr. Ballance, and got his permission to import machinery that would make satisfactory ammunition. He went Home himself, leaving his son in charge of the works. When at Home he went to Woolwich factory, and presented letters which I gave him to many of the officers at the arsenal, who showed all the best machinery and explained its manufacture to him. They allowed him to take away one of their very best hands. He came back again, and was able to start a manufactory for making Martini-Henry ammunition at Victoria and a Snider manufactory here with absolute success. I have made it my duty since to inquire from all the Volunteers who used that ammunition, and I find that, strong as the prejudice was against the first cartridges that he made with the colonial machinery, they are now all perfectly willing to state that his cartridges are an absolute success. I have only heard of two cases of cartridges having failed at all, and that of course it was absolutely impossible to avoid. The usual allowance for bad cartridges in the Government factory is something like 5 or 6 per cent. As far as I know, Captain Whitney's cartridges have been about 6 or 7 per thousand, and those that had any material fault were those not having an anvil. I think there have only been two cases that I have been able to discover, which is very little. Captain Whitney, by the circular, which I presume all members have, has informed us that the Government have told him that they can take no more Snider ammunition, as they are about to change the arm. I have satisfied myself upon this point, as regards the future, that when the Martini-Henry, the new arm, arrives, he can supply as good Martini-Henry ammunition as can be got in the world. The grievance, as I understand, of which Captain Whitney complains is, that the Government have absolutely, during the currency of their agreement with him, imported 500,000 rounds from Mr. Kynock, who is in no sense a satisfactory manufacturer, because it is not long ago that half-a-million rounds—I wish to be within the mark; I might mention a million rounds—of ammunition was returned to him by one of the Australian Colonies. I am inclined to think it was Victoria. Captain Whitney, when this first difficulty occurred, communicated with me, and asked me what I could suggest, and I could only say that the matter had quite passed out of my hands, and it must be left to the Government; but, as between us as friends, I